

**Metropolitan Transportation Commission  
Programming and Allocations Committee**

**February 8, 2006**

**Item Number 4c**

**Resolution No. 3731**

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**Subject:** Agreement to exchange Sonoma County Transportation Authority (SCTA) Traffic Relief Act Measure M sales tax funds for regional Congestion Mitigation and Air Quality Improvement (CMAQ) Funds.

**Background:** MTC's Surface Transportation Program (STP) Exchange Fund was created by a Santa Clara County Traffic Authority repayment of \$19.3 million in STP funds in October 1997 advanced to them by MTC to complete the Route 17 /Route 85 interchange project. Since \$18.5 million of the repayment was in local cash, it gave MTC the flexibility to apply these funds to projects in the adopted STP program that encountered problems with meeting federal funding requirements. This exchange did not increase the total amount of funds available to the region, but rather just changed the "color" of funds for a portion of the STP program, allowing MTC greater funding flexibility for selected projects. Since the creation of the program, the Commission has programmed approximately \$22.1 million in STP Exchange funds (including interest), leaving a balance of \$1.2 million.

The Sonoma County Transportation Authority (SCTA) has recently encountered a cost increase on the Sonoma 101 HOV widening project and has requested the assistance of MTC to provide federal CMAQ funds available in the current year in exchange for Measure M funds available over the next several years.

**Request:** This agreement will direct up to a total of \$2.5 million in federal CMAQ funding to SCTA in exchange for local unrestricted sales tax funds. The CMAQ funding will be available immediately, with the sales tax funds as repayment to MTC over a multi-year schedule as outlined in the resolution. SCTA receives a benefit of accessing funds now to address its cost increase, without having to bond against sales tax funds, and MTC benefits by augmenting its Exchange Program to assist project sponsors and programs that may not meet eligibility requirements associated with federal funds. MTC staff will return to the Commission to identify specific projects to receive the exchange funding.

**Issues:** None.

**Recommendation:** MTC staff recommends the Committee forward the SCTA/MTC Measure M /CMAQ Exchange Agreement, MTC Resolution No. 3731, to the Commission for approval.

**Attachments:** MTC Resolution No. 3731

Date: February 22, 2006  
W.I.: 1512  
Referred by: PAC

ABSTRACT

Resolution No. 3731

This resolution establishes the conditions for the exchange of Sonoma County Transportation Authority (SCTA) Traffic Relief Act Measure M funds with regional Congestion Mitigation and Air Quality Improvement (CMAQ) funds in Sonoma County. An Agreement for the conditions of this exchange of funds between MTC and SCTA is included.

Date: February 22, 2006  
W.I.: 1512  
Referred by: PAC

RE: Agreement to Exchange Sonoma County Transportation Authority Traffic Relief Act Measure M funds for Congestion Mitigation and Air Quality Improvement Funds

Metropolitan Transportation Commission  
Resolution No. 3731

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code § 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county San Francisco Bay Area region; and

WHEREAS, the Sonoma County Transportation Authority (Authority) is the county transportation planning agency responsible for administering Sonoma County's Traffic Relief Act (Measure M) funds for the County of Sonoma; and

WHEREAS, the Sonoma County Transportation Authority (SCTA) is the sponsoring agency, and the California Department of Transportation (Caltrans) is the implementing agency for the U.S. 101 Steele Lane Interchange and High Occupancy Vehicle (HOV) Lane Widening Project, hereinafter referred to as the "Project"; and

WHEREAS, SCTA has insufficient funds available to award the Project as a result of receiving construction bids higher than the Caltrans Engineer's Estimate; and

WHEREAS, The Project has received federal authorization to proceed; and

WHEREAS, SCTA has requested the assistance of MTC to provide Congestion Mitigation and Air Quality Improvement (CMAQ) funds available now in exchange for Measure M funds available in future years, to address cost increases and allow award of the Project; and

WHEREAS, the Authority has agreed to repay MTC for the CMAQ funds requested pursuant to the terms set forth in a proposed agreement; and

WHEREAS, the proposed agreement is substantially in the form set forth in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC approves the advancement and exchange of CMAQ with SCTA's Measure M funds for the purposes, and within the maximum amounts established, and subject to the conditions, set forth in Attachment A; and, be it further

RESOLVED, that Attachment B sets forth the agreed-upon funding amounts for the exchange, and that the Executive Director may amend Attachment B within the limits set forth in Attachment A; and, be it further

RESOLVED, that MTC's Executive Director is authorized to execute Attachment A, and to make non-substantive changes or minor amendments as deemed appropriate: and, be it further

RESOLVED, that upon execution of Attachment A by the signatory agencies, MTC staff shall process the exchange of the CMAQ with Measure M funds.

METROPOLITAN TRANSPORTATION COMMISSION

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Jon Rubin, Chair

This resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on February 22, 2006.

Date: February 22, 2006  
W.I.: 1512  
Referred by: PAC

MTC Resolution No. 3731  
Attachment A  
Page 1 of 3

**Agreement for Exchange of Sonoma County Transportation Authority Traffic Relief Act Measure M Funds with regional Surface Transportation Program (STP) funds and/or Congestion Mitigation and Air Quality Improvement (CMAQ) funds for the U.S. 101 Steele Lane Interchange and High Occupancy Vehicle (HOV) Lane Widening Project**

This AGREEMENT is entered into on the 22<sup>nd</sup> day of March 2006, by and between the SONOMA COUNTY TRANSPORTATION AUTHORITY, a public entity of the State of California, hereinafter referred to as "AUTHORITY", and the METROPOLITAN TRANSPORTATION COMMISSION, hereinafter referred to as "MTC".

Recitals

- (1) AUTHORITY is the sponsoring agency and the California Department of Transportation (Caltrans) is the implementing agency for U.S. 101 Steele Lane Interchange and High Occupancy Vehicle (HOV) Lane Widening Project hereinafter referred to as "PROJECT". The PROJECT is an approved Highway 101 improvement project identified in the Traffic Relief Act for Sonoma County approved by voters on November 2, 2004.
- (2) PROJECT has received federal authorization to proceed.
- (3) AUTHORITY has insufficient funds available to award PROJECT as a result of construction bids higher than the Caltrans Engineer's Estimate and has an immediate need for additional funding totaling \$1.5 million, and may need an additional \$1 million to cover potential future cost increases.
- (4) AUTHORITY has requested the assistance of MTC to provide Congestion Mitigation and Air Quality Improvement (CMAQ) funds hereinafter referred to as "CMAQ FUNDS" available now in exchange for Sonoma County Transportation Authority Traffic Relief Act Measure M funds hereinafter referred to as "MEASURE FUNDS" available in future years, to address cost increases and allow award of PROJECT.
- (5) MTC is eligible to receive and disburse apportioned CMAQ FUNDS.
- (6) AUTHORITY and MTC desire to proceed to construction immediately with CMAQ FUNDS, so long as nothing in this agreement adversely affects other projects in the MTC region eligible for CMAQ FUNDS.

- (7) AUTHORITY and MTC do mutually desire to specify herein the terms and conditions under which MTC is to provide CMAQ FUNDS to AUTHORITY, in exchange for AUTHORITY's assignment of unrestricted MEASURE FUNDS to be repaid to MTC.

Now, therefore, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

Section I

MTC AGREES:

- (1) To perform all funding transactions necessary to implement this agreement.
- (2) To provide up to a maximum total of \$2.5 million of MTC apportioned CMAQ FUNDS and obligation authority to AUTHORITY for construction of PROJECT, as set forth in Attachment B which details the specific agreed-to funding amounts.

Section II

AUTHORITY AGREES:

- (1) AUTHORITY indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of AUTHORITY, its officers, employees or agents, or subcontractors or any of them in connection with its performance of PROJECT under this Agreement.
- (2) To reimburse MTC for CMAQ FUNDS provided to AUTHORITY by assigning unrestricted MEASURE FUNDS to MTC over a three-year period starting in FY 2005-06. AUTHORITY shall repay the unrestricted MEASURE FUNDS in accordance with the following schedule: \$200,000 in FY 2005-06, \$600,000 in FY 2006-07, \$700,000 in FY 2007-08 and any remaining balance in FY 2008-09. The final date for payment is June 30 of each fiscal year.
- (3) To pay interest at the simple annual rate of ten (10) percent for any unpaid balance remaining after June 30 from each fiscal year's scheduled repayment, as specified under Section II, Item 2 above.
- (4) To provide required non-federal funds as a match to the CMAQ FUNDS provided by MTC.
- (5) To meet all federal, state and regional project funding delivery requirements associated with the CMAQ FUNDS.

Section III

IT IS MUTUALLY AGREED:

- (1) This Agreement shall terminate upon the satisfaction of AUTHORITY's obligation to reimburse MTC with Measure funds as outlined in Section II of this Agreement.
- (2) Any CMAQ funds provided and programmed to PROJECT under this agreement and subsequently de-obligated from PROJECT shall be made available to AUTHORITY for eligible activities within the Sonoma U.S. 101 corridor in the year of de-obligation.
- (3) MTC reserves the right to withhold from AUTHORITY future regional discretionary funds if AUTHORITY fails to meet its obligation to reimburse MTC with Measure funds as specified in Section II of this Agreement.
- (4) This Agreement shall bind and benefit the parties hereto and their heirs, successors, and permitted assigns.

SONOMA COUNTY  
TRANSPORTATION AUTHORITY

METROPOLITAN TRANSPORTATION  
COMMISSION

By: \_\_\_\_\_  
Executive Director

By: \_\_\_\_\_  
Executive Director

Approved as to form and procedure:

Approved as to form and procedure:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Attorney

**Agreement for Exchange of Sonoma County Transportation Authority (SCTA) Traffic Relief Act Measure M Funds with regional Surface Transportation Program (STP) funds and/or Congestion Mitigation and Air Quality Improvement (CMAQ) funds for the U.S. 101 Steele Lane Interchange and High Occupancy Vehicle (HOV) Lane Widening Project**

**Funding Exchange Payment Cash Flow Plan  
Attachment B**

Exchange Fund Source	Exchange Funding Year				TOTAL
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	
<b>Exchange Funds Provided by MTC</b>					
CMAQ	1,500,000				1,500,000
<b>Total:</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500,000</b>
<b>Exchange Funds Provided by SCTA</b>					
Measure M	200,000	600,000	700,000		1,500,000
<b>Total:</b>	<b>200,000</b>	<b>600,000</b>	<b>700,000</b>	<b>0</b>	<b>1,500,000</b>
<b>Total Net Exchange Funding</b>					
Net Exchange Balance	-1,300,000	600,000	700,000	0	0
<b>Cumulative Net Exchange Balance Total:</b>	<b>-1,300,000</b>	<b>-700,000</b>	<b>0</b>	<b>0</b>	<b>0</b>